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INTELLIGENCE REPORT

COUNTRY Austria

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ORIGIN

This Neues Oesterreich is hereby regraded to
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SUPPLEMENT

- 25X1X 1. The events in Hungary were commented on by Oscar Pollack in the Arbeiterzeitung in a hard-hitting editorial. The People's Party Volksblatt did its usual best to maintain a purely "official" tone. Neues Oesterreich, as usual, twisted the news the Moscow way.
2. Neues Oesterreich has a circulation of more than 150,000. The paper is popular because it is well presented. Without a doubt, many readers fail to realize that the paper's political reporting is Communist-directed and that Neues Oesterreich is a propaganda menace.
3. Some editorials in Neues Oesterreich, written by Socialist Party and People's Party members of the staff, do not follow the Communist line. The news room, however, is controlled by Smollett (Peter Smolka), who carries out his work of omission and addition. The Budapest correspondent was permitted to put over the Rakosi line in reporting on recent events in Hungary.
4. The two major Austrian parties share the responsibility for the Communist trend of Neues Oesterreich, since they hold a third each of the property.
5. There are three main reasons why Figl-Weber and Schaerf-Deutsch permit the reins of Neues Oesterreich to drag (to be eagerly picked up by Communist leader, Ernst Fischer).
- The political party newspapers in Austria have never in their history enjoyed such prosperity as that which has been created by the current absence of the former powerful independent press. Thus, they prefer to maintain Neues Oesterreich, which helps them to keep the "independents" out of the Vienna market. Neues Oesterreich is printed by Ullstein. If Neues Oesterreich ceased to appear, the Ullsteins would soon publish an independent paper themselves or print one for some independent publisher. The fear of upsetting the applecart is one of the reasons why Weber and Deutsch silently bow to Fischer's direction.
 - The second reason is the lack of proper editorial talent in both the PP and SP. Both parties have failed to assign their own good men to the "unity" paper. The Communists, on the other hand, put their best men on the staff of Neues Oesterreich.

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- c. The third reason is the personal position of Paul Deutsch, SP representative and editorialist of Neues Oesterreich.
6. The SP is responsible for Paul Deutsch's presence on the paper's staff. This son-in-law of President Renner is obviously an opportunist, a fact which is known within and without the SP. He is not only protected by the Sage of Himmelstrasse, but is frequently instrumental in bringing influence to bear on the President. However, the Socialists must get along with Renner and Renner is Paul Deutsch's protector. When Julius Deutsch was away in Budapest, Oscar Pollack did a piece of straight-shooting, attacking Neues Oesterreich and Smollett. Many hoped that Pollack's attack was the beginning of a "reform movement" concerning Neues Oesterreich. This proved to be a vain hope. When he returned from Budapest, Julius Deutsch put a stop to the campaign after a visit to Himmelstrasse "because Pollack's attack was personal in character". This is remarkable, especially since Julius Deutsch is no relative of Paul Deutsch and dislikes him intensely.
7. President Renner, like other great men, loses some of his intellectual clarity in the family drawing room. Paul Deutsch likes his job (he is well-paid), and the President keeps his party from following through on its desire to correct the situation in Neues Oesterreich.

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